

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
JUNE 7, 2006**

ITEM 5

SUBJECT

CONSIDERATION OF A RESOLUTION APPROVING THE PRELIMINARY FUNDING COMMITMENT FOR THE CITY OF SAN BUENAVENTURA (CITY); FEASIBILITY STUDY ON REUSE OF OJAI VALLEY SANITARY DISTRICT'S EFFLUENT (STUDY); WATER RECYCLING FUNDING PROGRAM (WRFP); PROJECT NO. WRFP-3418-010

DISCUSSION

On March 7, 2000, the voters approved the Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act (2000 Bond Law, designated Proposition 13 on the ballot), authorizing the State Water Resources Control Board (State Water Board) to issue water recycling facilities planning study grants. This authorization continues the water recycling facilities planning grant program initiated under the Safe, Clean, Reliable Water Supply Act of 1996.

The State Water Board approved the WRFP Guidelines (Guidelines) on October 21, 2004, governing the Water Recycling Construction Program and the Facilities Planning Grant Program (FPGP).

On January 6, 2006, the City submitted a funding request to complete the proposed Study. The estimated total Study cost is \$150,000 and the grant requested is \$75,000. The Division of Financial Assistance (Division) staff have reviewed the City's application for a FPGP grant and have determined that the proposed Study complies with the Guidelines. Based on the review of the application package and other documents submitted by the City, the Division has determined that the proposed Study will evaluate feasible alternatives to augment state water supplies.

The proposed Study will conclude with preparation of a Feasibility Planning Report (Report), which will evaluate potential recycled water customers within the study area, and present water reuse alternatives to serve these potential customers. The Report will determine the feasibility of providing recycled water from Ojai Valley Sanitary District's wastewater treatment facility to a major industrial user, Aera Energy LLC (Aera), and other potential users. The Study area is located in the North Ventura Avenue portion of the City. The City supplies approximately 1,000 acre-feet per year of potable water to Aera for its oil recovery operations. The use of recycled water for Aera's oil recovery operations and other potential users could augment state water supplies.

POLICY ISSUE

Should the State Water Board:

1. Approve a facilities planning grant for 50 percent of the eligible costs but not to exceed \$75,000 to the City for the proposed Study?
2. In accordance with the Guidelines, condition this approval by withdrawing the WRFP preliminary funding commitment and terminating any executed grant agreement if the City does not submit the final Study report by September 30, 2007?
3. Authorize the Division staff to grant a one-year time extension from the expiration date for good cause without further action by the State Water Board.

FISCAL IMPACT

A total of approximately \$105 million was initially made available through the 1988 loan repayments, 1996 and 2000 Bond Law Water Recycling Subaccount for water recycling funding. Of this amount, 41 percent was designated for planning grants and construction loans with 60 and 40 percent of this amount specified for Southern and Northern California respectively. This fund is continuously appropriated. This planning grant will be funded from the Southern California allocation. Adequate funds are available.

ENVIRONMENTAL IMPACT

None (feasibility study only).

REGIONAL BOARD IMPACT

None (feasibility study only).

STAFF RECOMMENDATION

The State Water Board should:

1. Approve a facilities planning grant for 50 percent of the eligible costs but not to exceed \$75,000 to the City for the proposed Study;
2. Include a condition that this preliminary funding commitment will be withdrawn and any executed grant agreement will be terminated if the City does not submit the final report by September 30, 2007, for the proposed Study; and
3. Authorize the Division staff to grant a one-year time extension from the expiration date for good cause without further action by the State Water Board.

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2006 -**

CONSIDERATION OF A RESOLUTION APPROVING THE PRELIMINARY FUNDING COMMITMENT FOR THE CITY OF SAN BUENAVENTURA (CITY); FEASIBILITY STUDY ON REUSE OF OJAI VALLEY SANITARY DISTRICT'S EFFLUENT (STUDY); WATER RECYCLING FUNDING PROGRAM (WRFP); PROJECT NO. WRFP-3418-010)

WHEREAS:

1. On March 7, 2000, the voters approved the Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act, and provided authorization for the State Water Resources Control Board (State Water Board) to issue water recycling facilities planning grants;
2. The State Water Board adopted revised guidelines governing the Facilities Planning Grant Program (Guidelines) on October 21, 2004;
3. The City submitted a grant application dated January 6, 2006, requesting grant funding for the City's feasibility study on reuse of Ojai Valley Sanitary District's effluent (Study);
4. Division staff reviewed the application and other supporting information for the Study and determined that the submitted documents comply with the Guidelines. Subsequently, a Plan of Study approval letter was issued to the City on April 26, 2006;
5. The City is a signatory to the Memorandum of Understanding with the California Urban Water Conservation Council; and
6. The City has prepared and adopted an Urban Water Management Plan and submitted the plan to the Department of Water Resources.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves a facilities planning grant for 50 percent of the eligible costs but not to exceed \$75,000 to the City for the proposed Study;
2. Includes a condition that this preliminary funding commitment will be withdrawn and any executed grant agreement will be terminated if the City does not submit the final Study report by September 30, 2007, for the proposed Study; and
3. Authorizes the Division staff to grant up to a one-year time extension from the expiration date for good cause without further action by the State Water Board.

CERTIFICATION

The undersigned, Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on June 7, 2006.

Song Her
Clerk to the Board